

File - ETC

MINUTES OF MEETING

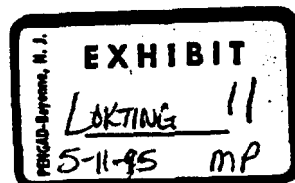
RE: ELLIS THOMPSON CORPORATION

Date: January 15, 1992

A meeting concerning Ellis Thompson Corporation (the "Company") was held at the offices of American Cellular Network Corp. ("Amcell") at 10:30 a.m. on Wednesday, January 15, 1992. In attendance were Ellis Thompson, David Lokting, Esquire, Anna Hillman, Dominic Villecco, Brian Gibbons and Arthur R. Block, Esquire.

The first item of business was a review of 1991 results and the 1992 budget, presented by Anna Hillman. During a lengthy discussion, Ms. Hillman reviewed the key assumptions relating to the 1992 budget, including no rate increase, reduced minutes of use for new subscribers and anticipated continued decreasing levels of subscriber activation activity from the reseller, US Cellular.

Mr. Gibbons then led a discussion relating to the various issues associated with US Cellular. Mr. Gibbons reviewed the reduced market presence of US Cellular, which can be seen in a organizational consolidation, reduced sales and marketing efforts and declining sales results. The parties discussed the risk of a total withdrawal from the market by US Cellular and possible strategic alternatives, including acquiring the existing customer base of US Cellular and increasing the marketing efforts of the Company to enhance the likelihood that any subscribers disconnecting from US Cellular would likely reconnect to the Company. Mr. Thompson authorized Amcell to hold informal



AM 146094

discussions with US Cellular at the upcoming CTIA convention in New Orleans in February 1992 concerning the possibility of the Company's purchasing the reseller's customers.

Mr. Villecco then reviewed the capital budget for 1992 in detail, including the plan to build two new cells and the possibility of sectorizing two existing cells. Mr. Villecco also indicated that the capital budget reflects a savings of approximately \$100,000 in total resulting from the purchase of refurbished, used Motorola equipment for these capital projects. Mr. Thompson and Mr. Lokting questioned Mr. Villecco with respect to the need and timing of the capital expenditures proposed. It was concluded by Mr. Thompson to authorize Amcell to proceed on the Company's behalf to build the two cells but to postpone sectorization, and attempt to manage the cell sites to do without sectorization in 1992 if possible.

Mr. Villecco then briefly reviewed the situation with respect to the Ocean Club cell site in which an emergency expenditure was required to obtain a renewal certification with respect to a halon fire protection system; this renewal certification cost is now part of the annual budgeted expenditures of the Company.

Mr. Villecco next reviewed the status of Amcell's planned microwave link from Elwood, New Jersey to Elmer, New Jersey, which would have created cost savings to the Company resulting from reductions in fees paid to Bell Atlantic for landline services which would have been by-passed by the microwave link.

Because of delays in construction of the microwave path, however, these reductions in costs will not be available immediately in 1992. The 1992 budget does not assume any reductions at all as a result of this possible costs savings.

Mr. Ralph J. Roberts, Chairman of Amcell, then joined the meeting and participated in a general discussion concerning the Company, after which he excused himself from the meeting.

Mr. Thompson and Mr. Lokting then led review of Amcell's management fee and the allocations of costs being made to the Company by Amcell. Ms. Hillman reviewed the present fee and cost allocation structure, which is a 9% fee and an allocation based on direct costs without any allocation of indirect overhead costs. Ms. Hillman noted that the Company receives the benefit of a pass through by Amcell of volume discounts on billing services and equipment purchases, among other goods and services. Mr. Thompson approved continuing the existing arrangements in this regard.

Mr. Gibbons then discussed the possible use of auto dealerships as agents for the Company, with installations to be done at the Company's new retail store. After discussion, this program was approved by Mr. Thompson. Mr. Thompson also approved the general agent compensation scheme for 1992 as presented by Mr. Gibbons.

There being no further business, the meeting was adjourned.

Arthur R. Block, Secretary
of the Meeting

File - ETL

MINUTES OF MEETING

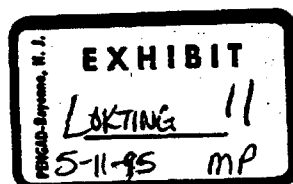
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AM 146094

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There being no further business, the meeting was adjourned.

Arthur R. Block, Secretary
of the Meeting

Comcast Cellular
Communications, Inc.
1234 Market Street
Philadelphia, PA 19107-3723
215 665-1700



March 19, 1992

Mr. David Lokting
Stoll, Stoll, Berne & Lokting
209 SW Oak Street, Ste. 500
Portland, OR 97204

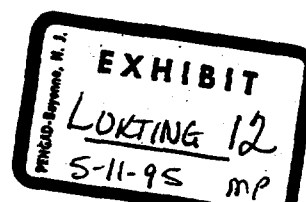
Dear David:

This letter will serve to recap our telephone conversation Tuesday evening regarding the Smithville cell site lease.

In our discussion, you had mentioned Jeff's interest in purchasing the site as opposed to a ground lease. I had agreed to find out information regarding the potential sale of the property.

Our Implementation Group has determined that the property is not for sale. One of the reasons the landlord entered into a long term lease arrangement was that it is the landlord's intention to stay on the property and develop it further. The area is zoned industrial. The landlord's present business is heavy construction. The landlord will be shifting focus from heavy construction to recycling of materials (e.g. asphalt, tires, mulch, cans, etc.). This property is in the landlord's plan as a recycling center. The property is approximately 15+ acres and is adjacent to an existing landfill. Furthermore, if Ellis Thompson Corporation were to purchase a portion of the property, it is likely that a subdivision would be necessary which would require roads, curbs, sewer, etc.

Another question pertained to the lease payment. The starting point for all real estate negotiation is \$6,000 annually (\$500.00 monthly). The final negotiated payment is \$12,000 annually (\$1,000 monthly). The budgeted cell site rent for this location is \$18,000 annually (\$1,500 monthly). The average rent for all Comcast systems varies between \$1,500 and \$1,700 monthly. This site was



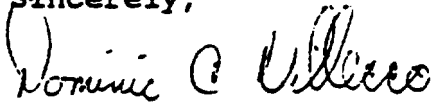
AM 144945

Mr. David Lokting
March 19, 1992
Page 2

one of four in the search area. This landlord was willing to sign the "standard" agreement without further legal review as long as the rental figure was \$12,000 annually. The other sites were not moving along very well and therefore, this site was pursued.

If you or Jeff have any other questions, please call.

Sincerely,



Dominic C. Villecco
Vice President of Engineering

DCV/ad:110.dcv

cc: Art Block
Anna Hillman
Don Harris

AM 144946

Comcast Cellular
Communications, Inc.
1234 Market Street
Philadelphia, PA 19107-3723
215 665-1700



April 24, 1992

Ellis "Jeff" Thompson
David Lokting
c/o Stoll, Stoll, Berne & Lokting
209 SW Oak Street, Ste. 500
Portland, OR 97204

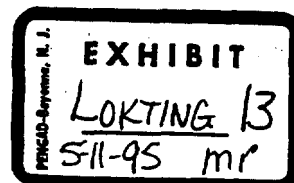
Gentlemen:

I have attached backup documentation for three different issues.

The first two issues pertain to overlap of FCC (39 dbu) contours into the Atlantic City market from other Comcast affiliated markets. They are as follows:

1. Dover, Delaware Market. Lewes, Delaware site overlaps Cape May County border in the middle of the Delaware Bay. Engineering is being done to negate any impact on the Atlantic City market. FCC Rules say consent to overlap is required even though overlap is over water.
2. Philadelphia, PA (and N.J.) Market. Present Tabernacle, New Jersey site is being relocated to a new tower. FCC contours from this new tower extend beyond previous authorized overlap as indicated on the map. Net effect on the system is negligible. FCC Rules say consent is required to extend beyond previously agreed upon overlap. This overlap is similar to the overlap granted to ETC by Metrophone for the Pomona site.

The third issue pertains to the ETC Pomona site (Atlantic City Racetrack location). The present tower is non-compliant with FCC/FAA Rules with respect to lighting and painting. While this would normally be solely the owner's responsibility, the FCC has recently announced that any FCC licensees on any tower are responsible. Although this tower is technically non-compliant, it is marked with a steady burning red beacon lamp and the FAA has been notified by our engineering group. Our recommendation at this point is to perform all necessary modifications to the tower and negotiate with the landlord to recover any costs (approximately \$14,000). Please be advised that the landlord is currently not using the tower and therefore may not agree to any reimbursement. Regardless of reimbursement, our recommendation would be to perform the necessary modification to the tower to avoid any liability issues.



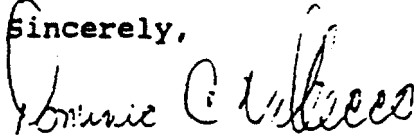
AM 144935

April 24, 1992
Page 2

I would appreciate an immediate response to these issues. I apologize for the short notice, however, these issues just recently surfaced.

If you have any questions, please call.

Sincerely,



Dominic C. Villecco
Vice President of Engineering

DCV/ad:issue.

cc: Don Harris
Anna Hillman
Art Block
Jeff Smith
Charles Moir
David Stern

AM 144936

Comcast Cellular
Communications, Inc.
1234 Market Street
Philadelphia, PA 19107-3723
215 665-1700



April 24, 1992

Mr. Dominic C. Villecco
AWACS, Inc.
c/o Comcast Cellular
1234 Market Street, 17th Floor
Philadelphia, PA 19107

Dear Mr. Villecco:

This letter is intended to confirm that Ellis Thompson Corporation (ETC), the licensee of cellular radio station KNKA 791, serving the Atlantic City, New Jersey MSA has reviewed the application for major modification of license that you propose to file with the Federal Communications Commission. Grant of the application would result in minor extensions of the reliable service contours of the Tabernacle site of AWACS, Inc. into the Atlantic City MSA/CGSA. ETC does not object to the proposal of AWACS, Inc.

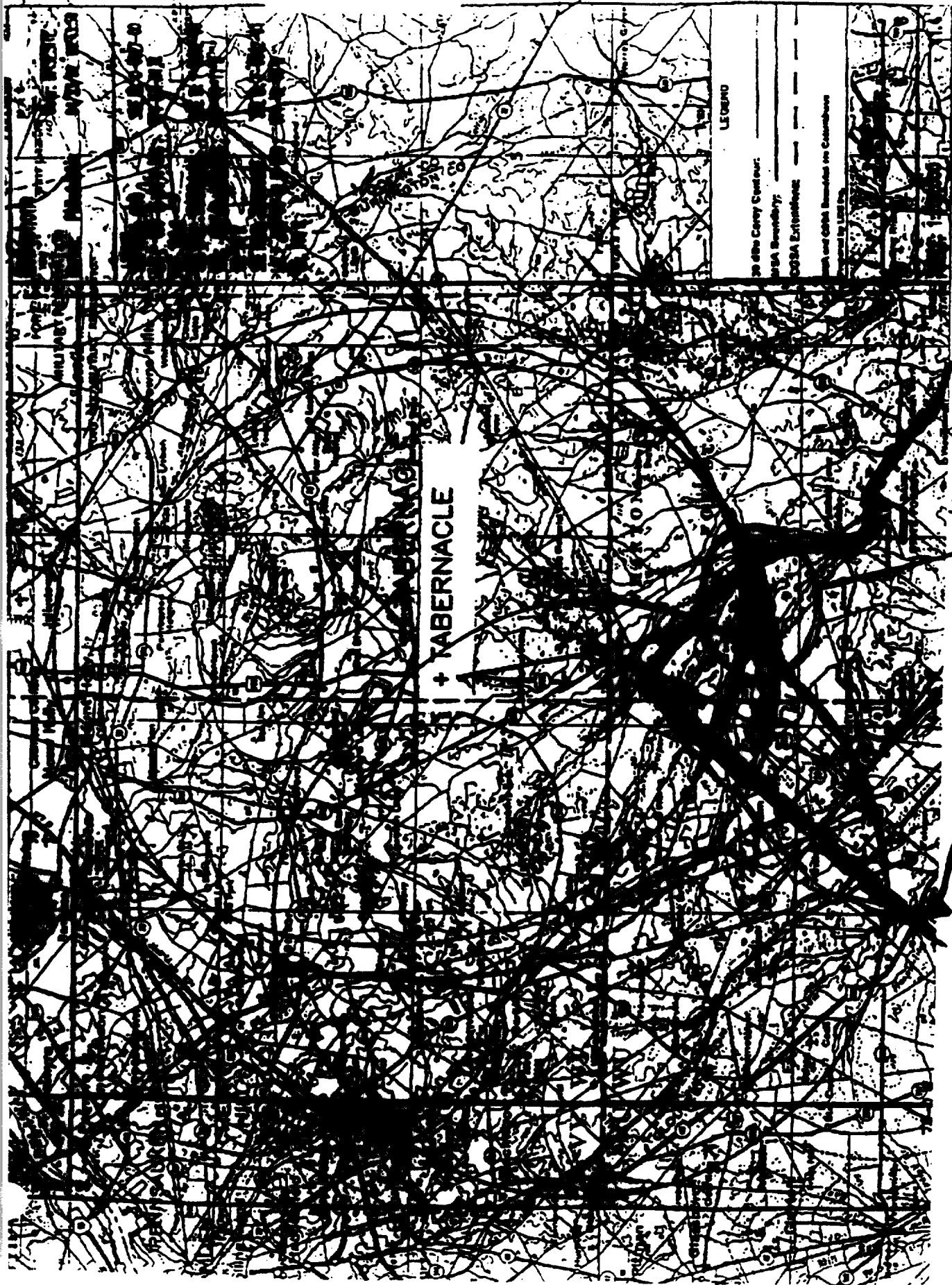
We hereby consent to your filing this letter with the FCC in connection with your major modification application.

Very truly yours,

ELLIS THOMPSON CORPORATION

BY: _____
ELLIS THOMPSON, PRESIDENT

AM 144937



ATLANTIC COUNTY BORDER

Comcast Cellular
Communications, Inc.
1234 Market Street
Philadelphia, PA 19107-3723
215 665-1700



April 23, 1992

Mr. Dominic C. Villecco
Delaware RSA 1 Limited Partnership
c/o Comcast Cellular
1234 Market Street, 17th Floor
Philadelphia, PA 19107

Dear Mr. Villecco:

This letter is intended to confirm that Ellis Thompson Corporation (ETC), the licensee of cellular radio station KNKA 791, serving the Atlantic City, New Jersey MSA has reviewed the application for major modification of license that you propose to file with the Federal Communications Commission. Grant of the application would result in minor extensions of the reliable service contours of the Lewes site of the Delaware RSA 1 Limited Partnership into the Atlantic City MSA/CGSA. ETC does not object to the proposal of Delaware RSA 1 Limited Partnership.

We hereby consent to your filing this letter with the FCC in connection with your major modification application.

Very truly yours,

ELLIS THOMPSON CORPORATION

BY: _____
ELLIS THOMPSON, PRESIDENT

AM 144939

DELAWARE RSA I LIMITED PARTNERSHIP

DOVER, DE RSA/CGSA

Proposed 39 dBu Contours For Lewes Site

April, 1992

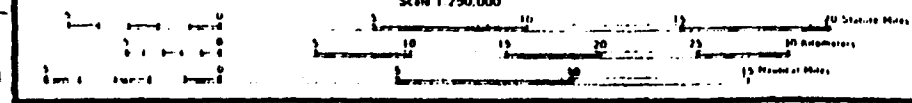
Proposed
Carey Contours

CELL

LEWES

RSA/CGSA Boundary
Previously Authorized Extension
39 dBu Contour

Scale 1:250,000



AM 144940

201 - 3161
210
1.000
1

COMCAST
CORPORATION

234 MARKET STREET • PHILADELPHIA PA 19107-3723 • (215) 665-1700

FEDERAL EXPRESS

February 3, 1993

Mr. Richard J. Lyons
Executive Director
The Cellular One Group
5001 LBJ Freeway
Suite 700
Dallas, Texas 75244

RE: Cellular One License Agreement Between the Cellular One Group
and Ellis Thompson Corporation (Atlantic City, New Jersey MSA)

Dear Dick:

Enclosed please find two originals of the above-referenced license agreement for use of the Cellular One logo as executed by Ellis Thompson Corporation. I also have enclosed an acknowledgement of receipt executed by Ellis Thompson Corporation.

Please counter-sign each of the enclosed documents and return one original of the fully executed Cellular One agreement to me at the above address.

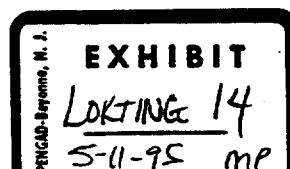
Thank you in advance for your attention to this matter.

Very truly yours,


Jeffrey E. Smith
Deputy General Counsel

JES/nc
Enclosure

cc: David Lokting, Esq.
David N. Watson



AM 144457



CLR
40761

MEMORANDUM

To: Ellis Thompson
From: Joan LoPrete
Date: March 25, 1993
Subject: Activation Fee Increase

Effective April 7, 1993, we would like to increase Atlantic City activation fees to the following structure:

<u>Rate Plans</u>	<u>Activation Fee</u>
Month To Month	\$75
Off-Peak	\$75
Preferred	\$50
Corporate Choice I & II	
Corporate Billed	\$15
Individual Billed	\$35
Ultra	\$15
Association	\$0

Customers will pay a \$25 additional fee if they want to sign a contract on a monthly basis with the exception of the Month To Month plan.

The current structure is as follows:

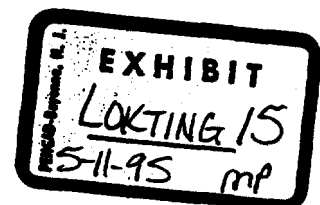
<u>Number of Phones</u>	<u>Activation Fee</u>
1 - 4	\$49.95
5 - 24	\$15.00
25 +	\$0

This new fee structure will increase activation fee revenue by \$67,076 annually or by \$17.54 per gross add.

Please approve or provide comments at your earliest convenience so that we may implement new fees by April 7.

Thank you in advance for your attention to this matter.

cc: David Lokting
Art Block
Charles Moir
Jim Burns
Anna Hillman
Dave Watson
John Moerman



Boulden Interchange Park • 18 Boulden Circle • Suite 24 • New Castle, Delaware 19720

Phone (302) 328-4400 • FAX (302) 328-6060

AM 144859

**COMCAST,
METROPHONE**

480 E. Swedesford Road
Wayne, PA 19087-1867
610 975 5000

May 19, 1994

Mr. Ellis Thompson
c/o Mr. David Lokting
STOLL, STOLL, BERNE AND LOKTING, P.C.
209 Southwest Oak Street
Suite 500
Portland, OR 97204

Dear Jeff:

The purpose of this letter is to request your review and approval for the Atlantic City market to join the Industry Net Settlement Program.

Cellular carriers participate in the Industry Net Settlement (INS) Program for the purpose of automating the settlement process. Benefits include guaranteed receipt of receivable dollars, and reduction of manual time spent preparing payments and invoices. INS carriers maintain accounts at Chase Manhattan Bank. Participating carrier receivable and payable dollars are summarized for an accounting period. On the last business day of each month, wire transfer settlement occurs according to the participating carriers "net" position.

The cellular industry has supported the Net Settlement Program since 1990, and Comcast Cellular One and Comcast Metrophone have been members since mid-1993. In summary, Comcast Cellular Communications, Inc. financial experience due to automation has been the following:

Areas of Savings

Salaries and Wages
Man hours Saved
Postage, Supplies, Telephone/Facsimile

Total Projected Savings:

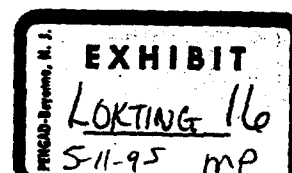
Annual Savings

\$22,000 Salaried Employee
6,920
(22,140)

\$ 9,400



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AM 143960

Mr. Ellis Thompson
May 19, 1994
Page 2

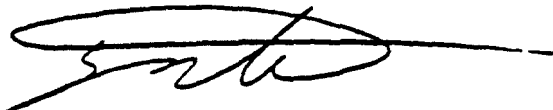
The savings for the Atlantic City Market due to automation through INS participation are projected to be the following:

<u>Areas of Savings</u>	<u>Annual Savings</u>
Salaries, Postage, Supplies,	
Telephone and Facsimile	\$ 9,080
CIBERNET Charges (1993 Estimate) -	<u>(2,040)</u>
Total Projected Savings:	\$ 7,040

Mr. Thompson, I would appreciate your review of this program and approval to proceed. Please contact me at (610) 995-3701 with any questions you may have regarding this request.

Sincerely yours,

COMCAST • METROPHONE



Mark A. Panetta
Vice President of Finance

MP94026.bm

cc: Mr. Ron Andes
Ms. Anna Hillman ✓
Mr. David Lokting
Mr. John Moerman

AM 143961

Comcast Cellular
Communications, Inc
480 East Swedesford Road
Wayne, PA 19087-1867
215 975-5000



March 21, 1994

Mr. David Lokting
Stoll, Stoll, Burne, Lokting
209 SW Oak Street, Suite 500
Portland, OR 97204

Dear David:

Enclosed please find the following:

1. Draft of the financial statements of Ellis Thompson Corporation for the year ended 1993. Please review, and update Note 5 for any significant legal matters that require disclosure. We have tentatively updated the note to reflect what is disclosed in the Comcast 10-K with respect to Ellis Thompson Corporation.
2. Letter from Ellis Thompson Corporation to Provident National Bank requesting a one year extension on the revolving line of credit. As in years past, please have Jeff sign and send directly to Provident National Bank.

Please call if you have any questions.

Sincerely,

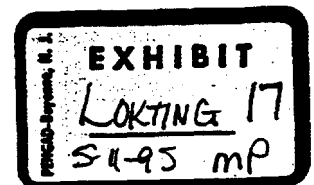
A handwritten signature in cursive script, appearing to read 'Anna E. Hillman'.

Anna E. Hillman
Senior Vice President of
Finance & Administration

AEH:jre

attachment

cc: Barry Sauder
Jeff Smith
Ellis Thompson c/o David Lokting
Chris Van Horne



AM 138856

ELLIS THOMPSON CORPORATION

3806 NW MC CANN ROAD
VANCOUVER, WASHINGTON 98685
(206) 574-9698

March 17, 1994

Mr. Donald Kraftson
Land Title Building
Provident National Bank
100 South Broad Street, 9th Floor
Philadelphia, PA 19110

RE: Revolving Loan by and between Provident National Bank and
Ellis Thompson Corporation dated February 15, 1989.

Dear Mr. Kraftson:

The purpose of this letter is to request a one-year extension of the Revolver Termination Date of the above-referenced loan to December 31, 1995. Currently, there is \$1,970,000 outstanding of the \$3,000,000 commitment due December 31, 1994.

The operating performance and financial results of Ellis Thompson Corporation for 1993 are as follows. Based on preliminary figures, service revenue was \$7,741,500, with operating cash flow before management fees of \$2,163,100, or an operating margin of 28%. Management fees of \$874,000 were paid during the period. As of December 31, the system had 12,000 subscribers. The Company began 1993 with retained earnings of \$1,231,300 and ended with \$1,352,300 after shareholder distribution of \$440,000 for income tax purposes.

The budget for 1994 anticipates revenues of \$9,641,400, cash flow before management fees of \$3,640,000, and a management fee of \$1,029,900. Subscribers are expected to reach 13,700.

If you have any questions or need additional information, please do not hesitate to call me or Chris Van Horne at Comcast. I look forward to receiving your favorable response.

Sincerely,

Ellis Thompson
President

cc: Anna E. Hillman
Christine K. Van Horne
Jeff Smith
Barry Sauder

ET:jre

DRAFT]

ELLIS THOMPSON CORPORATION

**Financial Statements for the Years
Ended December 31, 1993 and 1992
and Independent Auditors' Report**

DRAFT

ELLIS THOMPSON CORPORATION

BALANCE SHEETS
DECEMBER 31, 1993 AND 1992

<u>ASSETS</u>	<u>1993</u>	<u>1992</u>
CURRENT ASSETS		
Cash	\$ 692,186	\$ 183,440
Accounts receivable, less allowance for doubtful accounts of \$58,000 and \$60,000	1,442,183	990,213
Prepaid charges and other	346,805	107,084
Total current assets	2,481,174	1,280,737
PROPERTY AND EQUIPMENT		
Cell site equipment	3,680,368	2,910,741
Other	1,408,761	1,130,882
	5,089,129	4,041,623
Less accumulated depreciation	1,529,975	1,035,082
Property and equipment, net	3,559,154	3,006,541
DEFERRED CHARGES AND OTHER ASSETS, less accumulated amortization of \$176,000 and \$137,000	<u>77,589</u>	<u>58,766</u>
	<u>\$ 6,117,917</u>	<u>\$ 4,346,044</u>
 <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,637,737	\$ 759,764
Due to affiliate	1,005,272	294,556
Other current liabilities	152,586	90,456
Total current liabilities	2,795,595	1,144,776
LONG-TERM DEBT	1,970,000	1,970,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDER'S EQUITY		
Common stock, no par value - authorized, issued and outstanding, 1,000 shares	-	-
Retained earnings	1,352,322	1,231,268
	<u>\$ 6,117,917</u>	<u>\$ 4,346,044</u>

See notes to financial statements.

DRAFT**ELLIS THOMPSON CORPORATION****STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 1993 AND 1992**

	<u>1993</u>	<u>1992</u>
SERVICE INCOME, Net	\$ 7,741,491	\$ 6,107,910
COSTS AND EXPENSES		
Direct costs	1,422,768	1,205,912
General and administrative	1,582,430	1,198,711
Sales and marketing	2,002,788	1,402,600
Management fee	873,972	679,368
Customer acquisition expense (See Note 4)	560,401	82,644
	<u>6,452,359</u>	<u>4,569,235</u>
INCOME FROM OPERATIONS BEFORE DEPRECIATION AND AMORTIZATION	1,289,132	1,538,675
DEPRECIATION AND AMORTIZATION	<u>539,659</u>	<u>463,565</u>
INCOME FROM OPERATIONS	749,473	1,075,110
INTEREST EXPENSE, NET	<u>130,419</u>	<u>130,358</u>
INCOME BEFORE INCOME TAXES	619,054	944,752
INCOME TAXES	<u>58,000</u>	<u>88,570</u>
NET INCOME	561,054	856,182
RETAINED EARNINGS		
Beginning of Period	1,231,268	723,064
Distributions	<u>(440,000)</u>	<u>(347,978)</u>
End of Period	<u>\$ 1,352,322</u>	<u>\$ 1,231,268</u>

See notes to financial statements.

ELLIS THOMPSON CORPORATION**DRAFT****STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1993 AND 1992**

	<u>1993</u>	<u>1992</u>
OPERATING ACTIVITIES		
Net income	\$ 561,054	\$ 856,182
Noncash items included in net income:		
Depreciation and amortization	539,659	463,565
Deferred taxes	(58,000)	
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable, prepaid charges and other	(891,691)	167,398
Current liabilities	1,650,819	(453,429)
Net cash provided by operating activities	<u>2,001,841</u>	<u>1,033,716</u>
FINANCING ACTIVITIES		
Proceeds from borrowings	700,000	420,000
Repayments of debt	(700,000)	(300,000)
Distributions	(440,000)	(347,978)
Net cash used in financing activities	<u>(440,000)</u>	<u>(227,978)</u>
INVESTING ACTIVITIES		
Additions to property and equipment, net	<u>1,063,095</u>	<u>1,201,754</u>
INCREASE (DECREASE) IN CASH	508,746	(396,016)
CASH, BEGINNING OF YEAR	<u>183,440</u>	<u>579,456</u>
CASH, END OF YEAR	<u>\$ 692,186</u>	<u>\$ 183,440</u>

See notes to financial statements.

ELLIS THOMPSON CORPORATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 1993 AND 1992

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ellis Thompson Corporation (the "Company") was formed to construct and operate a cellular telephone system in the Atlantic County and Cape May County, New Jersey market areas (the "System"). The Company owns the license to operate the System and has an obligation to distribute 49.99% of the interests in the system to members of a settlement group and their successors, who are the beneficial owners of the business along with Ellis Thompson ("Thompson"). American Cellular Network Corp. ("Amcell") owns approximately a 36% beneficial interest in the system. Under an agreement with the Company, Amcell manages the System - See Note 2.

During 1992 Thompson exercised an option to sell his 50.01% interest in the system to Amcell of Atlantic City, Inc., conditioned, among other things, on FCC approval of the change of control which would be affected by such sale. There can be no assurance that the conditions to the sale will be met. In the event the sale is consummated, the Company would be owned approximately 86% by Amcell and its subsidiaries.

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 8 years.

Deferred charges include organization costs associated with the initial expenditures required to bring the cellular telephone system into operation. These costs are being amortized using the straight-line method over five years.

Service income is recorded net of the cost of long distance and roaming incollect charges.

2. RELATED PARTY TRANSACTIONS

Due to affiliates includes management fees, customer acquisition expenses, salaries and administrative expenses due to Amcell for management of the Company, and switching fees and variable transmission costs due to an affiliated entity of the Company, which is 100% owned by Amcell. The management fee to Amcell is calculated at 9% of gross revenues (including roamer charges) and was \$873,972 in 1993 and \$679,368 in 1992. Switching fees are charged to the Company at \$.05 per minute and amounted to \$658,940 in 1993 and \$527,012 in 1992. Variable transmission costs are allocated between the Company